

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-408-W/S - ORDER NO. 93-1124 *lc*
DECEMBER 9, 1993

IN RE: Application of Heater of Seabrook, Inc. for) ORDER
Approval of Proposed Reduction in Rates for) APPROVING
Deep Well Water Used by Golf Courses for) RATE
Irrigation Subject to Availability.) SCHEDULE

This matter comes before the Public Service Commission of South Carolina (the Commission) on the October 1, 1993 Amended Application of Heater of Seabrook, Inc. (Heater or the Company) for approval of a proposed reduction in the Commission approved rates for deep well water used by golf courses for irrigation located within Company's certificated service area. The Company proposes to charge \$.35 per 1,000 gallons for untreated water from Heater's existing deep well to be used for golf courses for irrigation, subject to the availability of water from the deep well.

By letter dated October 7, 1993, the Commission's Executive Director instructed the Company to furnish by registered mail a Notice of Filing to each Intervenor in Docket No. 91-627-W/S and to provide a certification that this notification had been furnished. The Company furnished Affidavits demonstrating that the Notice had been furnished pursuant to the instructions of the Executive Director. A Petition to Intervene was filed on behalf

of the Town of Seabrook Island.

The Commission's present authorized rate for water service of \$2.50 per 1,000 gallons commodity charge was published in Order No. 92-1028, dated December 12, 1992 in Docket No. 91-627-W/S. The Company notes that there is not a separate charge in the tariff established for the untreated well water from the deep well to be used by the golf courses for irrigation.

A hearing was convened in the Commission's Hearing Room on December 1, 1993. The Applicant, Heater of Seabrook, Inc., was represented by Darra Cothran, Esquire; the Commission Staff was represented by F. David Butler, General Counsel. The Intervenor, Town of Seabrook Island, did not appear. The Company presented the testimony of William E. Grantmyre. A Protestant, Ernest Prupis, also testified at the hearing.

Grantmyre's testimony showed that Heater's only rate established for water service is \$2.50 per 1,000 gallons commodity charge. There is no separate charge in the tariff established for the untreated well water from the deep well to be used by the golf courses for irrigation. According to Grantmyre, Heater believes that the \$2.50 per 1,000 gallon commodity charge, which is established for drinking water, which meets all the standards of the Safe Drinking Act, would be higher than justified for the untreated deep well water. Therefore, Heater has applied for this reduction to \$.35 per 1,000 gallons. Heater's current cost to produce the untreated deep well water is much lower than the cost for the potable water, which is purchased in bulk by Heater from

St. Johns Water Company. Grantmyre noted that the Company would ask that the \$2.50 per 1,000 gallon commodity charge remain in effect for those emergency situations when the deep well water must be used to backup the regular drinking water supply in the service area.

Apparently Heater does not provide any treatment to the water from the existing deep well owned by it. This untreated water does not meet the requirements for drinking water under the Safe Drinking Water Act. For Heater to treat the water to meet the requirements of the Safe Drinking Water Act, according to Grantmyre, Heater would be required to install, at a minimum, a very expensive reverse osmosis plant. The operational cost would be extremely high with the resulting cost of the water in excess of the \$2.50 per 1,000 gallons in Heater's existing tariff. Grantmyre therefore states that treatment of the deep well water to be potable drinking water for the customers at Seabrook, or for golf course irrigation, is not cost effective. The golf courses could, in their discretion, provide any additional treatment that they need for the water to be completely suitable for irrigation on their golf courses. This gives the golf courses the discretion to make appropriate treatment decisions.

Grantmyre noted that Heater only provides the deep well water to residential customers in emergencies after notice to customers and Department of Health and Environmental Control (DHEC) approval. The deep well water does not create health risks, if consumed for a limited duration, according to Grantmyre.

Grantmyre notes that the deep well at Heater is 2,200 feet deep. The drilling of a new well of this type would be expensive. Grantmyre testified that the cost for the untreated well water per 1,000 gallons is \$0.393.

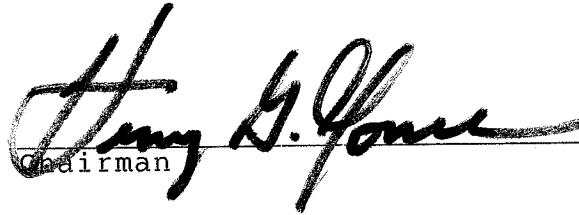
The Commission has examined this matter and believes that the Amended Application should be granted as filed. Effective with the date of this Order, Heater of Seabrook, Inc. shall charge the rate of \$.35 per 1,000 gallons for untreated water from Heater of Seabrook's existing deep well to be used for golf courses for irrigation, subject to availability of water from the deep well. The Commission believes that the reasoning stated by Grantmyre, the Company President, supports the granting of the requested rate. Obviously, \$2.50 per 1,000 gallons is too much to charge for irrigation purposes when the water received is untreated deep well water, which does not meet the requirements of the Safe Drinking Water Act. The Commission believes that the requested rate is just and reasonable for the purpose proposed. The rate as filed is approved and appears in Appendix A, which is attached to this Order.

IT IS THEREFORE ORDERED THAT:

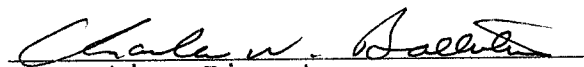
1. The Amended Application of October 1, 1993 of Heater of Seabrook regarding deep well water is hereby granted as filed.

2. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

APPENDIX A

HEATER OF SEABROOK, INC.
P.O. Drawer 4889
Cary, N.C. 27519
1-800-537-4865

FILED PURSUANT TO DOCKET NO. 93-408-W/S - ORDER NO. 93-1124
EFFECTIVE DATE: DECEMBER 9, 1993

WATER

GOLF IRRIGATION

Golf course irrigation using untreated deep-well water
subject to availability - \$.35 per 1,000 gallons